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FINANCE STATISTICS

Task Force on Finance Statistics

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Task Force on Finance Statistics (Convener: International Monetary Fund), which is contained in the annex. The report is transmitted to the Commission in accordance with a request of the Statistical Commission at its twenty-eighth session.

Notes

Official Records of the Economic and Social Council, 1995, Supplement No. 8 (E/1995/28), para. 24 (b).

* E/CN.3/1997/1.

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Annex

REPORT OF THE TASK FORCE ON FINANCE STATISTICS

CONTENTS

	Paragraphs	Page
INTRODUCTION AND BACKGROUND	1 - 6	3
I. STATUS OF WORK ON STATISTICAL METHODOLOGIES	7 - 9	4
II. MODALITIES FOR FURTHER WORK	10 - 11	5

INTRODUCTION AND BACKGROUND

1. The objectives of the Inter-Agency Task Force on Finance Statistics were mandated by the Working Group on International Statistical Programmes and Coordination at its fifteenth session (see E/CN.3/1993/21, para. 53), following recommendations made in the report by the Review Group on strengthening international statistical cooperation (see E/CN.3/AC.1/1992/R.2). Those objectives were subsequently endorsed by the ACC Subcommittee on Statistical Activities at its twenty-sixth session (see ACC/1993/1, paras. 4 and 17-19) and by the Statistical Commission at its twenty-seventh session.' As spelled out in the report of the Working Group on its fifteenth session (see E/CN.3/1993/21), the following objectives were confirmed as the terms of reference for the Task Force at its first meeting, in June 1993:

(a) Determine work being done by the organizations involved on methods, compilation, processing, dissemination, technical assistance and cooperation. It was recognized, however, that technical cooperation might not lend itself to treatment on a subject-by-subject basis but might need to be reviewed in an integrated way;

(b) Assess problems, duplication, weaknesses, imbalances and priority gaps on the basis of an integrated presentation of work programmes in finance statistics, taking into account budgetary considerations;

(c) Study how to carry out an evaluation of the quality of the databases maintained by international organizations, and carry out such an evaluation as far as possible;

(d) Review the publications issued by each organization and make recommendations on the need for a guide to finance statistics, taking account of the needs of the range of users;

(e) Identify actions needed to improve the system-wide work in the area, including its coordination;

(f) Report on actions taken, current proposals and unresolved issues for action by the Working Group;

(g) In addition to contriving efforts to reduce the time lag in publication, consider the need and scope for disseminating more recent statistical information, possibly in the form of indicators.

2. Membership of the Task Force comprised the International Monetary Fund (IMF) (Convener), the Bank for International Settlements (BIS), the European Monetary Institute (EMI), the Statistical Office of the European Community (Eurostat), the Organisation for Economic Cooperation and Development (OECD), the World Bank, and the Statistics Division of the United Nations.

3. To facilitate its work, the Task Force asked participating international organizations to complete a questionnaire designed to help assess problems and clarify opportunities for improved coordination and cooperation. In support of

that activity, IMF, on behalf of the Task Force, wrote to ministers of finance, central bank governors and heads of national statistical offices in a number of industrial and developing countries to seek their views on the issues involved. The Task Force submitted its first report to the Statistical Commission at its twenty-eighth session (E/CN.3/1995/6, annex).[b] The report noted that ongoing methodological work in the field of finance statistics was being conducted in conformity with the need for consistency with the System of National Accounts, 1993 (1993 SNA); it did not identify any issues of major concern regarding duplication in data collection, weaknesses and gaps in coverage, imbalances (assumed to refer to lack of focus on user needs) or inadequate coordination of technical assistance. The report drew attention to a considerable and probably increasing degree of data sharing among international organizations, and to the effective coordination of technical assistance to the countries of the former USSR. The Task Force concluded that its review of the principal issues identified in its terms of reference had been largely dealt with.

4. The Statistical Commission expressed its appreciation for the report of the Task Force; recognized the importance of finance statistics for economic analysis and policy-making; and emphasized the need to produce consistent standards on monetary and financial statistics that were harmonized with the concepts of the 1993 SNA. As to IMF plans to revise the Manual on Government Finance Statistics, some members of the Commission sought, in particular, close harmonization with the 1993 SNA in the use of accruals as a basis for recording. They also stressed the importance of both an appropriate statistical treatment of financial derivatives to meet prudential needs and consistency with the 1993 SNA. In that context, the Commission welcomed the IMF development of a manual on monetary and financial statistics, and requested that both conceptual and practical issues be taken into account in elaborating the two manuals.

5. Regarding further work, the Statistical Commission requested (a) the preparation of a list of items identifying differences between the 1993 SNA and the specialized statistical systems on balance of payments, monetary and financial statistics, and government finance statistics, including a description of the nature of the differences as a means of harmonizing the links between the systems; and (b) that the Task Force consider how and under what modalities further work should be conducted, and report thereon to the Statistical Commission at its next session. Those recommendations were subsequently endorsed by the ACC Subcommittee on Statistical Activities at its twenty-ninth session (see ACC/1995/14, para. 5).

6. For the benefit of the overall assessment being carried out at the request of the Working Group, a table included in document E/CN.3/1997/24, which is before the Commission at its present session, summarizes the findings and achievements of the Task Force in relation to its terms of reference.

I. STATUS OF WORK ON STATISTICAL METHODOLOGIES

7. As to the request of the Statistical Commission that the Task Force provide details on differences between the 1993 SNA and the specialized statistical systems in the area of finance statistics, the relevant methodologies either have or are in the process of establishing a specific link with the 1993 SNA.

This is the case for the fifth edition of the Balance of Payments Manual, which was published in 1993. For the manuals on monetary and financial statistics and government finance statistics now being developed or revised by IMF, a major effort is being made to ensure as complete a harmonization with the 1993 SNA as possible, consistent with the needs of users. In the context of the requirements established for the European Monetary Union, Eurostat and EMI have identified a broad range of actions for financial statistics that include the development of a methodology for monetary statistics clean of cross-border business and reflecting the adoption of harmonized concepts and definitions (residency, currency breakdown, coverage), all within the framework of the European System of Accounts.

8. The draft manual on monetary and financial statistics and an annotated outline of the revised Manual on Government Finance Statistics have been sent for comment to national statistical offices; central banks and ministries of finance of member countries; international organizations, including members of the Task Force; and other interested parties. In preparing both manuals, an attempt has been made to consult both producers and users of statistics. An expert group meeting to review the draft manual on monetary and financial statistics was scheduled to take place in Washington, D.C., from 11 to 15 November 1996. Both manuals address conceptual and practical compilation issues, and their links with the 1993 SNA are fully explained. A particular feature of the revised Manual on Government Finance Statistics will be a response to user needs for the use of accruals as a basis for recording. Further thought is now being given to the scope and content of possible compilation handbooks that would be published subsequently for each of these manuals. Publication of the manual on monetary and financial statistics is targeted for 1997, that of the revised Manual on Government Finance Statistics for 1998.

9. As to financial derivatives, further work has been done to identify a framework for categorizing transactions in these instruments and identifying the financial asset boundary, all within the framework of the financial accounts of the 1993 SNA, the European System of Accounts and the fifth edition of the Balance of Payments Manual. To that end, the IMF Balance of Payments Committee convened an informal group on the measurement of financial derivatives, which met in Washington, D.C., in April 1996. BIS is substantially involved in the collection of comprehensive and reliable statistics on both exchange-traded and over-the-counter derivatives markets. Reporting frameworks are being developed in consultation with market participants, supervisors and central bank statisticians.

II. MODALITIES FOR FURTHER WORK

10. Apart from the Task Force, other forums that support the coordination of the work of international organizations on finance statistics include the BIS Group of Central Bank Statisticians; the Eurostat Committee on Monetary, Financial and Balance of Payments Statistics; the EMI Working Group on Statistics; the IMF Committee on Balance of Payments Statistics; the OECD Group of Financial Statisticians; and the OECD Working Party on Tax Policy and Statistics. IMF, as Convener of the Task Force, also serves as Rapporteur and

Focal Point on Finance Statistics for the Conference of European Statisticians. The Task Force thus provides a useful vehicle for providing CES with an integrated presentation of the work plans of international organizations in finance statistics, which complements the report of the Rapporteur on key new issues, gaps and problems.

11. If the Task Force on Finance Statistics is to continue under its current terms of reference, it would be helpful if the Statistical Commission could provide some guidance on particular issues that should be reported on. More generally, the Statistical Commission may wish to consider whether it would like to amend the terms of reference of the Task Force to include a request for the periodic presentation of the work programmes of international organizations in the area of finance statistics, which could serve both to provide information and support discussion on particular issues.

Notes

[1] Official Records of the Economic and Social Council, 1993, Supplement No. 6 (E/1993/26), para. 27.

[2] The Task Force held meetings in June 1993 and November 1994.